

# Meeting Minutes

## City Council Study Session

March 20, 2023 | 6:00 p.m.  
Chandler City Council Chambers  
88 E. Chicago St., Chandler, AZ



### Call to Order

The meeting was called to order by Mayor Kevin Hartke at 6:12 p.m.

### Roll Call

#### Council Attendance

Mayor Kevin Hartke  
Vice Mayor Matt Orlando  
\*Councilmember OD Harris  
Councilmember Mark Stewart  
Councilmember Christine Ellis  
Councilmember Jane Poston  
Councilmember Angel Encinas

#### Appointee Attendance

Josh Wright, City Manager  
Kelly Schwab, City Attorney  
Dana DeLong, City Clerk

\*Councilmember Harris attended telephonically.

### Consent Agenda and Discussion

Discussion was held on Items 2 and 9.

#### City Clerk

1. Board and Commission Appointments  
Move City Council approve the Board and Commission appointments as recommended.

#### City Manager

2. Introduction and Tentative Adoption of Ordinance No. 5048, Amending City Code Chapter 22 – Short-Term Rentals, Related to the Regulation of Short-Term Rentals  
Move City Council tentatively adopt Ordinance No. 5048, amending the Code of the City of Chandler by amending Chapter 22 – Short-Term Rentals, providing for the repeal of conflicting ordinances; providing for severability; and providing for penalties.

COUNCILMEMBER STEWART asked for a presentation.

RYAN PETERS, Strategic Initiatives Director, presented the following presentation.

- City of Chandler Proposed Code Amendments - Short Term Rentals (STR)
- 2016 Legislation: SB1350
  - Prohibited from regulating vacation rentals based on classification, use or occupancy
  - Preempted from banning STRs
  - Did not affect HOA CC&Rs
  - Provided limited health and safety oversight
  - Established transient lodging tax collection
- STRs & Common Concerns
  - Common calls for service to short term rentals include:
    - Parking Violations
    - Liquor Violations
    - Noise Complaints
- 2019 Legislation: HB2672
  - Established verified violation process
  - Allowed collection of owner contact information by a local government
  - Prohibited operation and advertising without a TPT license
  - Prohibited special events that would require a permit
  - Mayor and Council Final Adopted Ordinance 4939 and added Chapter 22 -Short Term Rentals on October 12, 2020
- Unintended Consequence: Difficult Enforcement System
  - Verified Violation System proved challenging to execute on
  - Difficult to hold STR owners accountable for renters bad behavior
  - Municipalities and neighborhoods unable to regulate due to current statute
  - Public attention brought desire for additional legislation
- Short Term Rentals in Chandler
  - 299 STRs currently on the Chandler registry
  - 131 calls for service at 46 identified rental properties (2022)
- 2022 Legislation: SB 1168
  - Requires STR operators to obtain a license (as opposed to joining a registry) and be subject to a nonrefundable application fee and annual license fee
  - Prohibits STRs from being used for non-residential uses
  - Requires a point-of-contact to be available for emergencies or non-emergency complaints
  - Requires written neighbor notification to all surrounding residential properties
  - Requires license and contact information to be conspicuously placed in the rental
  - Allows a municipality to suspend an STR license for repeated violations
- Short Term Rental Workflow
  - Resident Contacts City
  - Officer dispatched and takes appropriate action

- Non-enforcement calls documented or sent to code enforcement for follow up
  - Enforcement calls result in civil or criminal complaints forwarded to City Prosecutor
- Case tracked by PD through final court disposition
- City notifies owner of violation and issues penalty
  - City previously required to notify Department of Revenue for enforcement of penalty
- Owner has 10 calendar days to appeal decision through written note
- Ordinance Update Process
  - January 23 – February 6 | Public Comment
    - 18 total comments
    - 15 support
    - 2 don't support
    - 1 other
  - February 9 | Council Subcommittee
    - Policy recommendations include education first and a voluntary compliance model
  - March 20 | Council Consideration
  - August 1 | Delayed effective date
  - License fees considered at a later date

COUNCILMEMBER STEWART said there is a \$250 tax to apply for this license.

MR. PETERS said that the amount is an application fee, to be considered later.

COUNCILMEMBER STEWART said this is a minimal fee.

MR. PETERS said that the fee offsets the cost of administering the short-term rental program.

COUNCILMEMBER STEWART asked how violation would be enforced.

MR. PETERS answered that law enforcement will respond to complaints, and then it is entered into the verified violation process workflow. The owner has an adjudication process to demonstrate responsibility for their tenants. Law enforcement can also call the owner to address the situation there.

COUNCILMEMBER STEWART asked who decides to pull the license.

MR. PETERS said the decision is the city's through its enforcement.

COUNCILMEMBER STEWART asked if there are any rules in place for enforcement.

MR. PETERS said that there are general rules, and to follow the established voluntary compliance philosophy.

COUNCILMEMBER STEWART said that the result would be to suspend short term rentals at that location.

MR. PETERS said that we cannot permanently suspend licenses. There is a 12-month suspension that is applied to the license.

MAYOR HARTKE asked if there is any mechanism to encourage rentals to register.

MR. PETERS said that it has been a challenge to encourage registration. It is currently illegal to operate without a license.

MAYOR HARTKE asked about education opportunities available for homeowners.

MR. PETERS said that to list a home for rent on Airbnb or VRBO you are required to demonstrate the license and tax license with the Department of Revenue.

VICE MAYOR ORLANDO commented that the industry and government must work together for compliance.

3. Resolution No. 5659 Authorizing the Execution of a License to Use Salt River Project Property, Located at the Consolidated Canal between Germann Road and Chandler Boulevard, to Conduct the Annual City of Chandler Family Bike Ride  
Move City Council pass and adopt Resolution No. 5659 authorizing the execution of a license to use Salt River Project property, located at the Consolidated Canal between Germann Road and Chandler Boulevard, to conduct the annual City of Chandler Family Bike Ride Event.

### **Cultural Development**

4. Resolution No. 5674 Authorizing Modification of the Assessment Diagram for the Downtown Chandler Enhanced Municipal Services District  
Move Council adopt Resolution No. 5674 authorizing Modification of the Assessment Diagram; making a Statement and Estimate of Expenses for the Downtown Chandler Enhanced Municipal Services District; completing the Assessment; setting the Date for the Hearing On The Assessment; and ordering the Giving of Notice of Such Hearing.

### **Development Services**

5. Introduction of Ordinance No. 5050, PLH22-0065 Vivas Property, Rezoning from Agricultural District (AG-1) to Planned Area Development (PAD) for Single-Family Residential, Located at the Southwest Corner of Pecos and Cooper Roads

## Rezoning

Move City Council introduce and tentatively adopt Ordinance No. 5050 approving PLH22-0065 Vivas Property, Rezoning from Agricultural District (AG-1) to Planned Area Development (PAD) for Single-Family Residential, subject to the conditions as recommended by Planning and Zoning Commission.

## Preliminary Development Plan

Move City Council approve Preliminary Development Plan (PDP) PLH22-0065 Vivas Property, for site layout and building architecture, subject to the conditions as recommended by Planning and Zoning Commission.

6. Resolution No. 5668, Authorizing a License Agreement between Qwest Corporation, dba CenturyLink QC, and the City of Chandler to Allow for Overlapping of Existing Aerial Plant in the City's Rights-of-Way

Move Council adopt Resolution No. 5668, authorizing the Mayor to execute the license agreement between Qwest Corporation, dba CenturyLink QC, and the City of Chandler to allow for overlapping of existing aerial plant in the City's rights-of-way, and authorizing the City Manager or designee to execute other documents as needed to give effect to the agreement.

7. Use Permit, PLH22-0005 Crown Castle Wireless, for Installation of a Wireless Telecommunication Facility, Located at 2055 S. Stearman Drive at the Southeast Corner of Germann Road and Stearman Drive, Approximately 1/4 Mile West of Gilbert Road

Move City Council approve Use Permit, PLH22-0005 Crown Castle Wireless, subject to the conditions recommended by Planning and Zoning Commission.

8. PLT21-0057 Final Plat of Parkside, Located South of the Southwest Corner of Frye Road and Cooper Road

Move City Council approve PLT21-0057 Final Plat of Parkside, as recommended by staff.

## Economic Development

9. Resolution No. 5669, Approving an Uncrewed Aircraft Systems Pilot Project in West Chandler

Move City Council pass and adopt Resolution No. 5669 approving an Agreement between the Maricopa Association of Governments and the City of Chandler to consent to an uncrewed aircraft systems pilot project conducted by Airspace Link; and approving a related Pilot Project Agreement between Airspace Link and the City of Chandler.

COUNCILMEMBER ELLIS asked for a presentation.

MICAH MIRANDA, Economic Development Director, explained that this is a pilot program through Maricopa Association of Governments and Airspace Link to test the efficacy of Unmanned Aerial Vehicle airway transport.

RYAN KAUP, Economic Development Project Manager, shared that the City was first approached by Airspace Link 11 months ago with interest in a pilot program. The plan is to distribute medical supplies from a pharmaceutical distributor and an assisted living facility. UAV is regulated by the FAA, and are allowed to conduct this flight by right. MAG will be providing funding and asked for the city to consent to the program. The flights are below 400 ft, 4 – 6 flights a day for a total of seven days over two weeks. It will be a five-minute flight. Airspace Link has met with City departments to discuss public safety. It is expected to occur during this summer. There is no cost to the City.

COUNCILMEMBER ELLIS commented that this item is an exciting development for Chandler.

VICE MAYOR ORLANDO shared a concern about traffic.

MR. KAUP said that drone flights are being communicated, part of MAG funding stipulates a communication plan by the City. The limited times of operations should limit traffic concerns. We can review feedback on the program and go from there.

VICE MAYOR ORLANDO asked if the flight operators have insurance.

MR. KAUP said that Airspace Link does have insurance.

COUNCILMEMBER STEWART shared that this is a unique sustainable solution.

MAYOR HARTKE said the route looks like it avoids residential areas, we will communicate with any potential stakeholders.

COUNCILMEMBER ELLIS asked if Chandler is the only city in Arizona to have a program like this.

MR. KAUP said we are the only city conducting a pilot program like this, there have been limited flights elsewhere, but this will let us get more involved with future programs.

### **Facilities and Fleet**

10. Agreement No. FS0-060-4131, Amendment No. 3, for OEM Auto Parts and Service  
Move City Council approve Agreement No. FS0-060-4131, Amendment No. 3, with Tex Chevrolet, dba Earnhardt Chevrolet; Earnhardt Enterprises, dba Earnhardt Toyota Scion; Earnhardt Gilbert Dodge, Inc., dba Earnhardt Chrysler Dodge Jeep Ram; Earnhardt Chandler Cadillac, Inc.; and Earnhardt Ford Sales Company, for OEM auto parts and service, for a

period of one year, April 1, 2023, through March 31, 2024, in a combined total amount not to exceed \$350,000.

### **Management Services**

11. New License Series 12, Restaurant Liquor License Application for Vijay Kumar Kandukuri Venkateshwarlu, Agent, Nakshatra Treats, LLC, DBA Biryani Pot  
Move for recommendation to the State Department of Liquor Licenses and Control for approval of the State Liquor Job No. 229383, a Series 12, Restaurant Liquor License, for Vijay Kumar Kandukuri Venkateshwarlu, Agent, Nakshatra Treats, LLC, DBA Biryani Pot, located at 2820 S. Alma School Road, Suite 15, and approval of the City of Chandler, Series 12, Restaurant Liquor License No. 304794.
12. New License Series 12, Restaurant Liquor License Application for Juanita Alicia Esparza, Agent, Buqui Bichi Chandler, LLC, DBA Buqui Bichi  
Move for recommendation to the State Department of Liquor Licenses and Control for approval of the State Liquor Job No. 231394, a Series 12, Restaurant Liquor License, for Juanita Alicia Esparza, Agent, Buqui Bichi Chandler, LLC, DBA Buqui Bichi, located at 325 S. Arizona Avenue, Suite 2, and approval of the City of Chandler, Series 12, Restaurant Liquor License No. 304808.
13. New License Series 12, Restaurant Liquor License Application for April Risa Hirschi, Agent, BJ's Restaurants Inc., DBA BJ's Restaurant & Brewhouse  
Move for recommendation to the State Department of Liquor Licenses and Control for approval of the State Liquor Job No. 218519, a Series 12, Restaurant Liquor License, for April Risa Hirschi, Agent, BJ's Restaurants Inc., DBA BJ's Restaurant & Brewhouse, located at 7151 W. Ray Road, and approval of the City of Chandler, Series 12, Restaurant Liquor License No. 304791.

### **Mayor and Council**

14. Resolution No. 5675, City Council Rules and Procedures  
Move City Council adopt Resolution No. 5675 amending City Council Rules and Procedures.

### **Police Department**

15. Resolution No. 5671 Pertaining to the Submission of Projects for Consideration in Arizona's 2024 Highway Safety Plan  
Move City Council pass and adopt Resolution No. 5671 pertaining to the submission of projects for consideration in Arizona's 2024 Highway Safety Plan and authorize the Chief of Police to conduct all negotiations and to execute and submit all documents necessary in connection with such grant.

### **Public Works and Utilities**

16. Resolution No. 5660 Approving the Abandonment of a Portion of the Temporary Drainage and Retention Easements No Longer Needed for Public Use Located on the Southeast Corner of Arizona Avenue and Balsam Drive  
Move City Council pass and adopt Resolution No. 5660 approving the abandonment of a portion of the temporary drainage and retention easements no longer needed for public use located on the southeast corner of Arizona Avenue and Balsam Drive.
17. Professional Services Agreement No. WW2211.451, with Wilson Engineers, LLC, for the Ocotillo Water Reclamation Facility Influent Pump Station Odor Control Construction Management Services  
Move City Council award Professional Services Agreement No. WW2211.451, to Wilson Engineers, LLC, for the Ocotillo Water Reclamation Facility Influent Pump Station Odor Control Construction Management Services, in an amount not to exceed \$498,330.
18. Construction Manager at Risk Agreement No. WW2211.401, with MGC Contractors, Inc., for the Ocotillo Water Reclamation Facility Influent Pump Station Odor Control  
Move City Council award Construction Manager at Risk Agreement No. WW2211.401, to MGC Contractors, Inc., for the Ocotillo Water Reclamation Facility Influent Pump Station Odor Control, in an amount not to exceed \$7,815,392.50.
19. Professional Services Agreement No. ST2307.201, with EPS Group, Inc., for the Union Pacific Railroad (UPRR)/Willis Road Improvements Design Services  
Move City Council award Professional Services Agreement No. ST2307.201 to EPS Group Inc., for the Union Pacific Railroad (UPRR)/Willis Road Design Services, in an amount not to exceed \$190,641.50.
20. Professional Services Agreement No. ST2301.201, with EPS Group, Inc., for the Armstrong Way and Hamilton Street Improvements Design Services  
Move City Council award Professional Services Agreement No. ST2301.201, to EPS Group Inc., for the Armstrong Way and Hamilton Street Improvements Design Services, in an amount not to exceed \$143,998.50.
21. Professional Services Agreement No. ST2308.201, with NFra, Inc., for the Delaware Street Parking Lot Design Services  
Move City Council award Professional Services Agreement No. ST2308.201, to NFra, Inc., for the Delaware Street Parking Lot Design Services, in an amount not to exceed \$194,793.
22. Professional Services Agreement No. WA2106.271, with Dick & Fritsche Design Group, Inc., for the Pecos Surface Water Treatment Plant Administration Building HVAC and Water Quality Lab Renovation Post-Design Services  
Move City Council award Professional Services Agreement No. WA2106.271, to Dick & Fritsche Design Group, Inc., for the Pecos Surface Water Treatment Plant Administration

Building HVAC and Water Quality Lab Renovation Post-Design Services, in an amount not to exceed \$116,351.50.

23. Construction Manager at Risk Agreement No. WA2106.401, with Caliente Construction, Inc., for the Pecos Surface Water Treatment Plant Administration Building HVAC and Water Quality Lab Renovation  
Move City Council award Construction Manager at Risk Agreement No. WA2106.401, to Caliente Construction, Inc., for the Pecos Surface Water Treatment Plant Administration Building HVAC and Water Quality Lab Renovation, in an amount not to exceed \$1,319,649.
24. Construction Services Contract No. 4215045, Project No. ST1616, with Salt River Project, for the Ocotillo Road Improvements, Gilbert Road to 148th Street  
Move City Council award Construction Services Contract No. 4215045, Project No. ST1616, to Salt River Project, for the Ocotillo Road Improvements - Gilbert Road to 148th Street, in an amount not to exceed \$425,572.

## Briefing and Discussion

27. Discussion and Direction to Staff Regarding Ideas for Further Revenue Cuts to Provide Assistance to the Citizens of Chandler as Discussed in the Budget Meetings, as requested by Councilmember Stewart

## Informational

28. January 18, 2023, Planning and Zoning Commission Meeting Minutes
29. Special Event Liquor Licenses and Temporary and Permanent Extensions of Liquor License Premises Administratively Approved
30. Contracts and Agreements Administratively Approved, Month of February 2023

## Adjourn

The meeting was adjourned at 6:35 p.m.

ATTEST: \_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

Approval Date of Minutes: April 13, 2023

## **Certification**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Chandler, Arizona, held on the 20th day of March 2023. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this \_\_\_\_\_ day of April, 2023.

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City Clerk